

BILL ANALYSIS

H.B. 1295
By: Rodriguez
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

In recent years, certain affordable housing developments supported by local leaders and the community have been unable to receive low income housing tax credits because the developments were located within two linear miles of another development receiving housing tax credits in the same community. Local leaders, builders, and affordable housing advocates have identified this "two-mile rule" as a barrier to building locally supported affordable housing developments in high-opportunity areas where there is demonstrated need. While this well-intentioned rule was designed to prevent affordable housing developments from being concentrated in low-opportunity areas, it has been suggested that state law governing these developments needs updating to account for the increased density and growing need for affordable housing in high-opportunity areas. H.B. 1295 seeks to address this issue by providing for the allocation of housing tax credits to an affordable housing development within two linear miles of another development receiving housing tax credits in the same community under certain conditions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1295 amends the Government Code to authorize the governing board of the Texas Department of Housing and Community Affairs (TDHCA) to allocate housing tax credits under the low income housing tax credit program to more than one development in a single community under the following conditions:

- at least one of the developments will be located wholly within a census tract in which the median value of owner-occupied homes has increased by 15 percent or more within the five years preceding the date of the application;
- the governing body of the municipality containing the development or, if located outside a municipality, the county containing the development adopts a resolution that references applicable statutory provisions and authorizes an allocation of housing tax credits for the development; and
- the applicant for the development includes a copy of the resolution in the application.

H.B. 1295 applies only to an application for low income housing tax credits that is submitted to the TDHCA during an application cycle that is based on the 2022 qualified allocation plan or a subsequent plan adopted by the TDHCA governing board.

EFFECTIVE DATE

September 1, 2021.